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referred or transmitted to committee.

Chief Clerk of the House

FILED FEB 16 2005

By: Robert R. Prentice

H.B. No. 1826

A BILL TO BE ENTITLED

AN ACT

relating to water conservation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 2, Water Code, is amended by
adding Chapter 10 to read as follows:

CHAPTER 10. WATER CONSERVATION ADVISORY COUNCIL

Sec. 10.001. DEFINITIONS. In this chapter:

(1) "Best management practices" has the meaning
assigned by Section 11.002.

(2) "Board" means the Texas Water Development Board.

(3) "Commission" means the Texas Commission on
Environmental Quality.

(4) "Council" means the Water Conservation Advisory
Council.

Sec. 10.002. PURPOSE. The council is created to provide the
governor, lieutenant governor, speaker of the house of
representatives, legislature, board, commission, political
subdivisions, and the public with the resource of a select council
with expertise in water conservation.

Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is
composed of 17 members appointed by the board. The board shall
appoint one member to represent each of the following entities or
interest groups:

(1) Texas Commission on Environmental Quality;

1 implementation;

2 (2) monitor new technologies for possible inclusion by
3 the board as best management practices in the best management
4 practices guide developed by the water conservation implementation
5 task force under Chapter 109, Acts of the 78th Legislature, Regular
6 Session, 2003;

7 (3) monitor the effectiveness of the statewide water
8 conservation public awareness program developed under Section
9 16.401 and associated local involvement in implementation of the
10 program;

11 (4) develop and implement a state water management
12 resource library;

13 (5) develop and implement a public recognition program
14 for water conservation;

15 (6) monitor the implementation of water conservation
16 strategies by water users included in regional water plans; and

17 (7) monitor target and goal guidelines for water
18 conservation to be considered by the board and commission.

19 Sec. 10.011. REPORT. Not later than December 1 of each
20 even-numbered year, the council shall submit to the governor,
21 lieutenant governor, and speaker of the house of representatives a
22 report on progress made in water conservation in this state.

23 SECTION 2. Section 11.002, Water Code, is amended by adding
24 Subdivision (15) to read as follows:

25 (15) "Best management practices" means those
26 voluntary efficiency measures developed by the commission and the
27 board that save a quantifiable amount of water, either directly or

1 indirectly, and that can be implemented within a specified time
2 frame.

3 SECTION 3. Subchapter E, Chapter 13, Water Code, is amended
4 by adding Section 13.146 to read as follows:

5 Sec. 13.146. WATER CONSERVATION PLAN. The commission shall
6 require a retail public utility that provides potable water service
7 to a population of 3,300 or more to submit to the executive
8 administrator of the board a water conservation plan based on
9 specific targets and goals developed by the retail public utility
10 and using appropriate best management practices, as defined by
11 Section 11.002, or other water conservation strategies. For
12 purposes of this section, the population served by a retail public
13 utility shall be determined on the basis of the population
14 estimates contained in the most recent regional water plan adopted
15 for the regional water planning area in which the retail public
16 utility's service area is located.

17 SECTION 4. Section 15.102(b), Water Code, is amended to
18 read as follows:

19 (b) The loan fund may also be used by the board to provide:

20 (1) grants or loans for projects that include
21 supplying water and wastewater services in economically distressed
22 areas or nonborder colonias as provided by legislative
23 appropriations, this chapter, and board rules, including projects
24 involving retail distribution of those services; and

25 (2) grants for:

26 (A) projects for which federal grant funds are
27 placed in the loan fund;

1 (B) projects, on specific legislative
2 appropriation for those projects; or

3 (C) water conservation, desalination, brush
4 control, weather modification, regionalization, and projects
5 providing regional water quality enhancement services as defined by
6 board rule, including regional conveyance systems.

7 SECTION 5. Section 16.053(g), Water Code, is amended to
8 read as follows:

9 (g) The board shall provide technical and financial
10 assistance to the regional water planning groups in the development
11 of their plans. The board shall simplify, as much as possible,
12 planning requirements in regions with abundant water resources.
13 The board, if requested, may facilitate resolution of conflicts
14 within regions. The board shall develop and implement a regional
15 water conservation assistance program consisting of regional
16 conservation coordinators located in each regional water planning
17 area of the state to enhance and facilitate water conservation
18 efforts in each of those areas. A regional conservation
19 coordinator located in a regional water planning area may assist a
20 coordinator located in another area.

21 SECTION 6. Chapter 16, Water Code, is amended by adding
22 Subchapter K to read as follows:

23 SUBCHAPTER K. WATER CONSERVATION

24 Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS
25 PROGRAM. The executive administrator shall develop and implement a
26 statewide water conservation public awareness program to educate
27 residents of this state about water conservation. The program

1 shall take into account the differences in water conservation needs
2 of various geographic regions of the state and shall be designed to
3 complement and support existing local and regional water
4 conservation programs.

5 Sec. 16.402. WATER CONSERVATION PLAN REVIEW. (a) Each
6 entity that is required to submit a water conservation plan to the
7 commission under this code shall submit a copy of the plan to the
8 executive administrator.

9 (b) Each entity that is required to submit a water
10 conservation plan to the executive administrator, board, or
11 commission under this code shall report annually to the executive
12 administrator on the entity's progress in implementing the plan.

13 (c) The executive administrator shall review each water
14 conservation plan and annual report to determine compliance with
15 the minimum requirements and submission deadlines developed under
16 Subsection (e).

17 (d) The board may notify the commission if the board
18 determines that an entity has violated this section or a rule
19 adopted under this section. Notwithstanding Section 7.051(b), a
20 violation of this section or of a rule adopted under this section is
21 enforceable in the manner provided by Chapter 7 for a violation of a
22 provision of this code within the commission's jurisdiction or of a
23 rule adopted by the commission under a provision of this code within
24 the commission's jurisdiction.

25 (e) The board and commission jointly shall adopt rules:

26 (1) identifying the minimum requirements and
27 submission deadlines for the water conservation plans described by

1 Subsection (b) and the annual reports required by that subsection;
2 and

3 (2) providing for the enforcement of this section and
4 rules adopted under this section.

5 SECTION 7. Section 17.125, Water Code, is amended by adding
6 Subsection (b-2) to read as follows:

7 (b-2) The board shall give priority to applications for
8 funds for implementation of water supply projects in the state
9 water plan by entities that:

10 (1) have already demonstrated significant water
11 conservation savings; or

12 (2) will achieve significant water conservation
13 savings by implementing the proposed project for which the
14 financial assistance is sought.

15 SECTION 8. As soon as practicable on or after the effective
16 date of this Act, the Texas Water Development Board shall appoint
17 the initial members of the Water Conservation Advisory Council, as
18 required by Section 10.003, Water Code, as added by this Act. In
19 making the initial appointments, the board shall designate five
20 members to serve terms expiring August 31, 2007, six members to
21 serve terms expiring August 31, 2009, and six members to serve terms
22 expiring August 31, 2011.

23 SECTION 9. (a) Sections 15.102 and 17.125, Water Code, as
24 amended by this Act, apply only to an application for financial
25 assistance filed with the Texas Water Development Board on or after
26 the effective date of this Act. An application for financial
27 assistance filed before the effective date of this Act is governed

1 by the law in effect on the date the application was filed, and the
2 former law is continued in effect for that purpose.

3 (b) Not later than January 1, 2006, the Texas Water
4 Development Board and the Texas Commission on Environmental Quality
5 jointly shall adopt rules as required by Section 16.402(e), Water
6 Code, as added by this Act.

7 SECTION 10. This Act takes effect immediately if it
8 receives a vote of two-thirds of all the members elected to each
9 house, as provided by Section 39, Article III, Texas Constitution.
10 If this Act does not receive the vote necessary for immediate
11 effect, this Act takes effect September 1, 2005.

HOUSE COMMITTEE REPORT

05 APR 21 PM 11: 48
HOUSE OF REPRESENTATIVES

1st Printing

By: Puente

H.B. No. 1226

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(2) "Board" means the Texas Water Development Board.

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(4) "Council" means the Water Conservation Advisory Council.

Sec. 10.002. PURPOSE. The council is created to provide the governor, lieutenant governor, speaker of the house of representatives, legislature, board, commission, political subdivisions, and the public with the resource of a select council with expertise in water conservation.

Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is composed of 17 members appointed by the board. The board shall appoint one member to represent each of the following entities or interest groups:

(1) Texas Commission on Environmental Quality;

- (2) Department of Agriculture;
- (3) Parks and Wildlife Department;
- (4) State Soil and Water Conservation Board;
- (5) Texas Water Development Board;
- (6) regional water planning groups;
- (7) federal agencies;
- (8) municipalities;
- (9) groundwater conservation districts;
- (10) river authorities;
- (11) environmental groups;
- (12) irrigation districts;
- (13) industries;
- (14) institutional water users;
- (15) professional organizations focused on water conservation;
- (16) higher education; and
- (17) agricultural groups.

(b) Each entity or interest group described by Subsection (a) may recommend one or more persons to fill the position on the council held by the member who represents that entity or interest group. If one or more persons are recommended for a position on the council, the board shall appoint one of the persons recommended to fill the position.

Sec. 10.004. TERMS. (a) Members of the council serve staggered terms of six years, with five or six members' terms, as applicable, expiring August 31 of each odd-numbered year.

(b) The board shall fill a vacancy on the council for the

1 unexpired term by appointing a person who has the same
2 qualifications as required under Section 10.003 for the person who
3 previously held the vacated position.

4 Sec. 10.005. PRESIDING OFFICER. The council members shall
5 select one member as the presiding officer of the council to serve
6 in that capacity until the person's term as a council member
7 expires.

8 Sec. 10.006. COUNCIL STAFF. On request by the council, the
9 board shall provide any necessary staff to assist the council in the
10 performance of its duties.

11 Sec. 10.007. PUBLIC MEETINGS AND PUBLIC INFORMATION. (a)
12 The council may hold public meetings as needed to fulfill its duties
13 under this chapter.

14 (b) The council is subject to Chapters 551 and 552,
15 Government Code.

16 Sec. 10.008. INAPPLICABILITY OF ADVISORY COMMITTEE LAW.
17 Chapter 2110, Government Code, does not apply to the size,
18 composition, or duration of the council.

19 Sec. 10.009. COMPENSATION OF MEMBERS. (a) Members of the
20 council serve without compensation but may be reimbursed by
21 legislative appropriation for actual and necessary expenses
22 related to the performance of council duties.

23 (b) Reimbursement under Subsection (a) is subject to the
24 approval of the presiding officer of the council.

25 Sec. 10.010. POWERS AND DUTIES OF COUNCIL. The council
26 shall:

27 (1) monitor trends in water conservation

1 implementation;

2 (2) monitor new technologies for possible inclusion by
3 the board as best management practices in the best management
4 practices guide developed by the water conservation implementation
5 task force under Chapter 109, Acts of the 78th Legislature, Regular
6 Session, 2003;

7 (3) monitor the effectiveness of the statewide water
8 conservation public awareness program developed under Section
9 16.401 and associated local involvement in implementation of the
10 program;

11 (4) develop and implement a state water management
12 resource library;

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14 for water conservation;

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16 strategies by water users included in regional water plans; and

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22 report on progress made in water conservation in this state.

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10 and using appropriate best management practices, as defined by
11 Section 11.002, or other water conservation strategies. For
12 purposes of this section, the population served by a retail public
13 utility shall be determined on the basis of the population
14 estimates contained in the most recent regional water plan adopted
15 for the regional water planning area in which the retail public
16 utility's service area is located.

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24 involving retail distribution of those services; and

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27 placed in the loan fund;

(B) projects, on specific legislative appropriation for those projects; or

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SECTION 6. Chapter 16, Water Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. WATER CONSERVATION

Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS PROGRAM. The executive administrator shall develop and implement a statewide water conservation public awareness program to educate residents of this state about water conservation. The program

1 shall take into account the differences in water conservation needs
2 of various geographic regions of the state and shall be designed to
3 complement and support existing local and regional water
4 conservation programs.

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8 executive administrator.

9 (b) Each entity that is required to submit a water
10 conservation plan to the executive administrator, board, or
11 commission under this code shall report annually to the executive
12 administrator on the entity's progress in implementing the plan.

13 (c) The executive administrator shall review each water
14 conservation plan and annual report to determine compliance with
15 the minimum requirements and submission deadlines developed under
16 Subsection (e).

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18 determines that an entity has violated this section or a rule
19 adopted under this section. Notwithstanding Section 7.051(b), a
20 violation of this section or of a rule adopted under this section is
21 enforceable in the manner provided by Chapter 7 for a violation of a
22 provision of this code within the commission's jurisdiction or of a
23 rule adopted by the commission under a provision of this code within
24 the commission's jurisdiction.

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27 submission deadlines for the water conservation plans described by

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4 rules adopted under this section.

5 SECTION 7. Section 17.125, Water Code, is amended by adding
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8 funds for implementation of water supply projects in the state
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11 conservation savings; or

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13 savings by implementing the proposed project for which the
14 financial assistance is sought.

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16 date of this Act, the Texas Water Development Board shall appoint
17 the initial members of the Water Conservation Advisory Council, as
18 required by Section 10.003, Water Code, as added by this Act. In
19 making the initial appointments, the board shall designate five
20 members to serve terms expiring August 31, 2007, six members to
21 serve terms expiring August 31, 2009, and six members to serve terms
22 expiring August 31, 2011.

23 SECTION 9. (a) Sections 15.102 and 17.125, Water Code, as
24 amended by this Act, apply only to an application for financial
25 assistance filed with the Texas Water Development Board on or after
26 the effective date of this Act. An application for financial
27 assistance filed before the effective date of this Act is governed

1 by the law in effect on the date the application was filed, and the
2 former law is continued in effect for that purpose.

3 (b) Not later than January 1, 2006, the Texas Water
4 Development Board and the Texas Commission on Environmental Quality
5 jointly shall adopt rules as required by Section 16.402(e), Water
6 Code, as added by this Act.

7 SECTION 10. This Act takes effect immediately if it
8 receives a vote of two-thirds of all the members elected to each
9 house, as provided by Section 39, Article III, Texas Constitution.
10 If this Act does not receive the vote necessary for immediate
11 effect, this Act takes effect September 1, 2005.

COMMITTEE REPORT

The Honorable Tom Craddick
Speaker of the House of Representatives

4/14/05
(date)

Sir:

We, your COMMITTEE ON NATURAL RESOURCES

to whom was referred HB 1226 have had the same under consideration and beg to report back with the recommendation that it

- ☒ do pass, without amendment.
- ☐ do pass, with amendment(s).
- ☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- ☒ yes ☐ no A fiscal note was requested.
- ☐ yes ☒ no A criminal justice policy impact statement was requested.
- ☐ yes ☒ no An equalized educational funding impact statement was requested.
- ☐ yes ☒ no An actuarial analysis was requested.
- ☐ yes ☒ no A water development policy impact statement was requested.
- ☐ yes ☒ no A tax equity note was requested.
- ☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____


Joint Sponsors: _____ / _____ / _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Puente, Chair	X			
Callegari, Vice-chair	X			
Bonnen	X			
Campbell	X			
Geren	X			
Hardcastle				X
Hilderbran	X			
Hope	X			
Laney	X			

Total 8 aye
 0 nay
 0 present, not voting
 1 absent


CHAIR

BILL ANALYSIS

H.B. 1226
By: Puente
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 78th Texas Legislature created the Water Conservation Implementation Task Force via enactment of Senate Bill 1094. In September 2004 the task force members unanimously approved the final Report to the Legislature and the final Best Management Practices Guide, which were submitted to the 79th Texas Legislature in November 2004. The report consists of a review and evaluation of optimal levels of water-use efficiency and conservation for the state and recommendations resulting from this review and evaluation.

The task force recommended the state implement a statewide public education campaign to promote water awareness and efficiency, with the goal of reducing statewide per capita water use by one percent annually. This savings would provide enough water for more than 780,000 Texans' indoor water use. Task Force members raised private funds to conduct a statewide quantitative phone survey on water conservation, which revealed that: 98 percent of Texas residents think water conservation is important; 87 percent of Texans support the idea of a water conservation campaign similar to "Don't Mess with Texas"; 87 percent say they are more likely to conserve water after learning more about why it is important and ways to be more efficient; 71 percent believe statewide funding should be provided to implement water conservation strategies, and 54 percent feel their state government should be doing more to promote water conservation.

To address Texans' need for more water knowledge, the Texas Water Development Board (TWDB) also unveiled in January 2005 a campaign name for future public education efforts. The brand, "Water IQ: Know Your Water." or "Water IQ: Conozca a Tu Agua.," was developed as a compelling way to challenge residents to increase their knowledge of water resources and awareness of the need to be more efficient with their water use.

HB 1226 requires the TWDB to implement a statewide water conservation public awareness program to educate Texas residents about water conservation. The bill also creates a 17-member Water Conservation Advisory Council to monitor the development and implementation water conservation strategies, to monitor the effectiveness of the statewide public awareness campaign and other duties. The bill also requires retail public water utilities serving populations of 3,300 or more to submit water conservation plans to the Texas Commission on Environmental Quality (TCEQ) and TWDB. The agencies are required to review the plans and report on compliance by the water utilities.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality and the Texas Water Development Board in SECTION 6 (Section 16.402, Water Code) of this bill.

ANALYSIS

SECTION 1. Amends Subtitle A, Title 2, Water Code, by adding new Chapter 10, entitled Water Conservation Advisory Council.

Sec. 10.001. Defines "best management practices (BMPs)", "Board", "Commission" and "Council".

Sec. 10.002. States purpose of Council is to provide water conservation expertise to the governor, lieutenant governor, speaker, legislature, TWDB, TCEQ, political subdivisions and the public.

Sec. 10.003. (a) 17-member council created by TWDB with one member representing: (1) TCEQ, (2) Dept. of Agriculture (TDA), (3) Parks and Wildlife Dept. (TPWD), (4) State Soil and Water Conservation Board (SSWCB), (5) Water Development Board (TWDB), (6) regional water planning groups (RWPG), (7) federal agencies, (8) municipalities, (9) groundwater conservation districts (GCDs), (10) river authorities, (11) environmental groups, (12) irrigation districts, (13) industries, (14) institutional water users, (15) professional organizations focused on water conservation, (16) higher education and (17) agricultural groups.
(b) Each of the 17 entities may recommend someone to represent their interests. If more than one person is recommended, TWDB decides who receives the appointment to the council.

Sec. 10.004. (a) Council members served staggered six-year terms. As applicable, terms expire Aug. 31 of each odd-numbered year.
(b) TWDB is required to fill un-expired terms on the council with someone with the same qualifications as the vacating member.

Sec. 10.005. A presiding officer is selected by the council from its membership.

Sec. 10.006. The council can request staffing assistance from TWDB.

Sec. 10.007. (a) Allows the council to hold public meetings.
(b) The council is subject to the Open Meetings Law and the Public Information Act.

Sec. 10.008. The council is exempt from Ch. 2110 Gov't Code, which governs the size, composition and duration of state agency advisory committees.

Sec. 10.009. (a) Council members receive no compensation, but may be reimbursed by legislative appropriations for actual and necessary council-related expenses.
(b) Reimbursement is subject to approval of the presiding officer.

Sec. 10.010. Requires the council to:
(1) monitor water conservation trends;
(2) monitor new technologies that could be added to TWDB's BMP Guide;
(3) monitor the effectiveness of the statewide water conservation public awareness program;
(4) develop and implement a state water management resource library;
(5) develop and implement a public recognition program for water conservation;
(6) monitor the implementation of water conservation strategies by water users;
(7) monitor water conservation targets and goals to be considered by TWDB and TCEQ.

Sec.10.011. Requires the council to submit a water conservation progress report to the governor, lieutenant governor, and speaker by Dec. 1 of every even-numbered year.

SECTION 2. Amends Sec. 11.002, Water Code, by adding subdivision (15) which defines "best management practices" (BMPs) for water conservation.

SECTION 3. Amends Subchapter E, Chapter 13, Water Code, by adding Sec. 13.146, which requires TCEQ to require a retail public water utility serving a population of 3,300 or more to submit water conservation plans based on specific targets and goals and using appropriate BMPs.

SECTION 4. Amends Sec. 15.102 (b), Water Code, by making "water conservation" eligible for grants from the Water Assistance Fund.

SECTION 5. Amends Sec. 16.053, Water Code, by requiring TWDB to develop and implement a regional water conservation assistance program with a regional coordinator for each RWPG.

SECTION 6. Amends Chapter 16, Water Code, by adding Subchapter K.
Sec. 16.401. Requires TWDB's Executive Administrator to develop and implement a statewide water conservation public awareness program taking into account differences in water conservation needs in various geographic regions of the state and also complement and support existing local and regional conservation programs.

Sec. 16.402. (a) Requires water conservation plans to be submitted to TWDB as well as TCEQ.
(b) Requires annual progress reports from submitting entities to the TWDB and TCEQ.
(c) Requires TWDB's Executive Administrator to review each plan and annual report to determine compliance with minimum requirements and deadlines.
(d) Authorized TWDB to notify TCEQ if a submitting entity violates this section or a related rule. Makes violations subject to Chapter 7, Water Code.
(e) Requires TWDB and TCEQ to jointly adopt rules:
(1) identifying minimum requirements and submission deadlines for water conservation plans;
(2) providing for enforcement of this section and related rules.

SECTION 7. Amends Sec. 17.125, Water Code, by adding Subsection (b-2), which requires TWDB to give priority to applications for financial assistance for water supply projects identified in the state water plan if the applicant has demonstrated or will achieve significant conservation savings.

SECTION 8. Requires TWDB as soon as practicable after the effective date of the Act to appoint members to the advisory council. Five of the 17 members initial terms will expire Aug. 31, 2007, six initial terms will expire Aug. 31, 2009, and six initial terms will expire August 31, 2011.

SECTION 9. (a) Makes Secs. 15.102, and 17.125, Water Code, applicable to applications for financial assistance filed with TWDB on or after the effective date.
(b) Requires joint rules by TWDB and TCEQ as required in 16.402 (e), Water Code, to be adopted by not later than Jan. 1, 2006.

SECTION 10. Effective date. Immediate if passed by a two-thirds vote in each chamber.
Otherwise effective Sept. 1, 2005.

EFFECTIVE DATE

Immediate if passed by a two-thirds vote in each chamber; otherwise effective Sept. 1, 2005.

SUMMARY OF COMMITTEE ACTION

HB 1226

April 11, 2005 2:00PM or upon final adjourn./recess

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Left pending in committee

April 14, 2005 upon first adjournment

Considered in formal meeting

Reported favorably without amendment(s)

4

WITNESS LIST

HB 1226
HOUSE COMMITTEE REPORT
Natural Resources Committee

April 11, 2005 - 2:00PM or upon final adjourn./recess

For: Baker, Carole (The Subsidence District and Texas
Section American Water Works Association)
Buckner, Luana (Edwards Aquifer Authority)
Buckner, Luana (Medina County Groundwater Conservation
District)
Finch, Calvin R. (San Antonio Water System)
Kramer, Ken (Lone Star Chapter, Sierra Club)
Petersen, Ken (Texas Rural Water Association)
Richter, Krista (Texas On-Site Waste Water Association)
Suchecky, Ron (Texas On-Site Waste Water Association,
National On-Site Waste Water Recycling Association)
Williams, C.E. (Panhandle Groundwater District)

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 10, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1226 by Puente (Relating to water conservation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1226, As Introduced: a negative impact of (\$19,902,319) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$11,826,570)
2007	(\$8,075,749)
2008	(\$7,055,749)
2009	(\$7,395,749)
2010	(\$7,055,749)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	(\$11,826,570)	21.5
2007	(\$8,075,749)	21.5
2008	(\$7,055,749)	21.5
2009	(\$7,395,749)	21.5
2010	(\$7,055,749)	21.5

Fiscal Analysis

The bill would create a 17-member Water Conservation Advisory Council. The Water Development Board would be required to provide necessary staff to assist the council in its duties and provide a report on progress made in water conservation efforts in December of each even-numbered year.

The bill would require retail public utilities with 3,300 or more customers to submit water conservation plans to the Water Development Board. The bill would make conservation projects eligible for funding out of the Water Loan Assistance Fund. It would also require the Water Development Board to develop and implement a regional water conservation assistance program consisting of regional conservation coordinators located in each of the 16 regional water planning areas of the state.

The bill would direct the Water Development Board to develop and implement a statewide water

conservation public awareness program. It would also require entities submitting water conservation plans to report annually on the progress of implementing conservation plans. The Water Development Board and the Texas Commission on Environmental Quality would adopt rules specifying the requirements of plan submissions and provisions of enforcement. The Water Development Board would review the plans.

The bill would take effect immediately if it receives a two-thirds vote in both houses. Otherwise, it would take effect on September 1, 2005.

Methodology

This estimate assumes that 0.75 additional FTEs and associated costs (approximately \$50,000 per year) would be required by the Water Development Board to assist the Water Conservation Advisory Council with its duties. A cost of \$20,000 for publishing a biennial report also is included in fiscal years 2007 and 2009.

To coordinate the availability of the Water Assistance Loan Fund, the Water Development Board would require 0.25 additional FTEs and associated costs of approximately \$17,000 per year.

This estimate assumes that the Water Development Board would require one new regional conservation coordinator for each of the 16 regional planning areas, along with 1.5 FTEs at the agency's headquarters for management and support of the coordinator program. Annual costs associated with these 17.5 FTEs of approximately \$1.2 million are included in the table above in each fiscal year, and additional startup costs for the acquisition of vehicles and other capital of \$455,000 are also included in fiscal year 2006.

For the public awareness program, it is estimated that 2 FTEs would be required by the Water Development Board to provide oversight and administration of the program at a cost of approximately \$135,000 per fiscal year, while contractor services ranging from \$9.9 million in fiscal year 2006 to \$5.8 million in fiscal year 2010 are included for the purchase of media advertising and the development of materials. This estimate assumes that the public awareness program would be similar in scale to the "Don't Mess with Texas" program operated by the Texas Department of Transportation.

One additional FTE and costs of approximately \$60,000 are expected to be required by the Water Development Board to review water conservation plans and annual reports. This estimate assumes that approximately 400 additional conservation plans would need to be reviewed upon passage of the bill.

No significant fiscal implications to the TCEQ are anticipated.

This estimate assumes that FTEs and funding would be required starting on September 1, 2005, whether the bill takes effect immediately or on that date.

Local Government Impact

Local governments could incur costs associated with preparing and submitting a water conservation plan if the local government does not already have such a plan. Local governments also would incur some costs in reporting annually to the executive administrator of the Water Development Board. The cost would depend on the requirements for plan submission that would be adopted by the TCEQ and Water Development Board.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL

H.B. No. 1226

By

Robert R. Pronte

A BILL TO BE ENTITLED
AN ACT

relating to water conservation.

FEB 16 2005

Filed with the Chief Clerk

FEB 21 2005

Read first time and referred to Committee on Natural Resources

APR 14 2005

Reported ___ favorably ~~(unanimous)~~
(~~unanimous~~)

APR 22 2005

Sent to Committee on (Calendars)

~~(Unanimous Consent Calendar)~~

Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote)
(record vote of ___ yeas, ___ nays, ___ present, not voting)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)
by a vote of ___ yeas, ___ nays, ___ present, not voting

Read third time (amended); finally passed (failed to pass) by a (non-record vote)
(record vote of ___ yeas, ___ nays, ___ present, not voting)

Engrossed

Sent to Senate

CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

Received from the House

Read and referred to Committee on _____

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(___ yeas, ___ nays)

Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(___ yeas, ___ nays)

Senate and Constitutional 3 Day Rules suspended by a vote of ___ yeas, ___ nays

Read third time, _____, and passed by a (viva voce vote)
(___ yeas, ___ nays)

Returned to the House

SECRETARY OF THE SENATE

OTHER SENATE ACTION:

_____ Returned from the Senate (as substituted)
(with amendments)

_____ House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House conferees appointed: _____, Chair; _____,
_____, _____, _____

_____ Senate granted House request. Senate conferees appointed: _____, Chair;
_____, _____, _____, _____

_____ Conference committee report adopted (rejected) by the House by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of _____ yeas, _____ nays)

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HOUSE OF REPRESENTATIVES